



# Nathan Rosen

## Corporate Law Librarian

Nathan Rosen is an attorney, corporate law librarian, intranet developer, author, researcher, and dad. He is Vice President of the Legal and Compliance Department of Credit Suisse First Boston, where he responds to complex business, investment research, and due diligence questions for one of the world's largest global investment banking firms.

[nathan.rosen@csfb.com](mailto:nathan.rosen@csfb.com)

### **How did you get started on the path to becoming a librarian for an investment banking firm?**

My key role model was my mother, Golda Rosen. She first exposed me to the wonderful world of libraries, as she was responsible for our synagogue's library when I was very young. The most important characteristic she taught me was service. She was a social worker who, all her life, was dedicated to helping people—it permeated her very existence. Her example has helped me to remember to keep my focus on service, and ultimately, that focus will be why librarians have a place in the future of information.

### **You work for one of the world's largest financial services companies. Could you tell me what your company does and what kinds of clients you serve?**

It's probably easier for me to read you a few lines from our annual report:

“Credit Suisse First Boston (CSFB) is one of the largest banking institutions in the world, with total consolidated assets of approximately \$278 billion. As a leading global investment bank, the Bank provides a wide range of financial services from locations around the globe to corporate, institutional, and public-sector clients and high-net-worth individuals worldwide; and engages in investment banking, equity, fixed income, and derivatives and private equity investment businesses on a worldwide basis. The Bank employed approximately 17,200 people as of December 31, 1999. The company has four core businesses: fixed income and derivatives, equity, investment banking, and private equity. 1999 revenue and net income reached records of \$9.8 billion and \$1.26 billion, respectively.”

**I’ve heard your company referred to as First Boston and as Credit Suisse. What is the correct name?**

There have been various mergers. Currently, Credit Suisse First Boston (CSFB), where I work, is one of six business units of the Credit Suisse Group. The other groups are Credit Suisse, the retail bank; Credit Suisse Private Banking, which mostly serves private investors in Switzerland; Credit Suisse Asset Management, which is for institutional and mutual fund investors worldwide; an insurance company called Winterthur Group; and Personal Financial Services Europe.

**Tell me about your current job and your background, and how you became involved in investment-related research.**

I was hired to set up a top-quality information service for the Legal and Compliance Department at Credit Suisse First Boston in New York City several years ago. The importance of information to the Legal and Compliance Department can be illustrated by the fact that one of the first acts of the then-General Counsel for the Americas (now Executive Vice President for Legal and

Regulatory Affairs) was to decide that the department needed a substantial modern legal library.

The Legal and Compliance Department serves the entire firm. Because I'm physically located in the midst of the attorneys and closely integrated into the legal department, I'm often of service right from the very start of a project, sometimes as the attorneys are still on the telephone or at the first sign of a new matter or issue.

I created the law library from scratch, putting in racks for periodicals and developing a book collection. As an important part of the collection, we've loaded some CD-ROMs onto a computer network. I also provide online services to the entire legal staff. The library can be used for training, orientations, and product demonstrations, and is also conducive to quiet and privacy. Some of the attorneys use it to draft papers or to hold a quick meeting.

Prior to coming here, I was the Library Director at the Association of the Bar of the City of New York, and for 12 years was Associate Library Director at Proskauer Rose LLP, a large, New York City-based law firm. I also worked part-time or on special projects for more than 10 years in public, university, law school, and private company libraries, as well as having practiced law for over four years.

While in library school, I worked for the business library of Shearson Lehman Brothers in the investment banking area and did consulting jobs for Morgan Stanley's business library and the Ford Foundation's library. I have a Master of Science degree from Columbia University School of Library Service (1984), and a Juris Doctor from the University of Missouri at Kansas City School of Law (1979).

## **What are your job responsibilities at Credit Suisse First Boston?**

It's my good fortune to be working with a knowledgeable and talented team. I'm available to the Credit Suisse First Boston Legal and Compliance Department staff and to the entire company regarding certain legal or investigative research. Although it was

not initially part of my job description, I established a comprehensive intranet for the Legal and Compliance Department as an alternative to reaching me, since I can't be here 24 hours a day, 7 days a week, and the library is a one-person library.

The intranet has links to stock markets, securities organizations, stock prices, public company information, and other companies' Web sites that deal with securities. I've loaded documentation about using various online services and CD-ROMs to assist staff when I'm not here. An online Library Guide serves as a basic description for all the library services; it includes hyper-text links to a wide variety of forms, such as routing, office copies, and reference requests.

**Let me ask you a more specific question about your job responsibilities. You said that you provide legal and investigative research. Could you explain more about what that consists of and what types of questions you're asked?**

As an example of one question that's a good reflection of business investment research, I was asked for information about "green" or environmentally sound kinds of investments. I found this to be a very interesting project that was relatively straightforward to answer. It turned out that the Credit Suisse Group had been one of the first providers of investment funds with an ecological and ethical focus in Europe. I found that the World Bank [238, see Appendix A] and some nonprofit institutes and organizations have really made an effort to collect information about environmentally sound or public-spirited companies, and I was able to answer the question quickly and completely using online information.

**What sources did you use for this project?**

First, I tried Lexis-Nexis [127]. This is because the firm's Business Library had negotiated a very good contract that provides us with highly competitive pricing. Many librarians, myself included, often find the Lexis-Nexis News files to be a

great first step for coverage of mainstream magazines and newspapers, newsletters, news reports, radio shows relating to news, and television transcripts. I started there and came up with names of a few key companies, organizations, and individuals. Other times I might start with Westlaw's [232] Newspaper, Magazine and News Services group of files, which include more than 3,000 publications from Dow Jones Interactive [56].

After the Lexis-Nexis search, I went to the Internet to look up the organizations I had identified during the news search. I knew that these strong, nonprofit agencies would be likely to have Web sites. I found quite a number of organizations focused on green or "appropriate" investing. These sites, in turn, sent me to places within the World Bank and the International Monetary Fund [114], and to a United Nations [217] group that was looking at appropriate investing from the point of view of helping people, saving lives, and advancing Third World countries and bringing them into the modern age.

The Internet gave me a lot of good information, very focused and, of course, somewhat biased—but you go in knowing that. Then I went back and started picking up annual reports and gathering statistics from different articles to expand on the variety of information I wanted to provide. In this case, some of the annual reports came directly from the company Web sites, but I also used Disclosure Global Access [53], and our firm keeps a collection of annual reports in paper, the glossy kind, which we sometimes get directly from companies we're interested in.

## **Could you describe some other projects?**

Another interesting project had to do with women's investments. Just as people are sensitive to the growing need for environmentally sound investments, there is a whole area of investing related to women investors. For this project, again, I went to the News library on Lexis-Nexis and found some discussions of women as evolving investors, how they are more in control of their own economics now because of more education and opportunities in the workplace, and that they are more confident and self-reliant.

I found a number of very important women's investment Web sites. There are places like iVillage [124], a woman's online network with a lot of information about investing when you click on MoneyLife. Another site that's easy to remember is the Women's Institute for Financial Education [236], since its acronym is WIFE. One of the most interesting names was Cassandra's Revenge [31]. It's actually geared to the serious beginner. It doesn't provide financial calculators or stock tables, but it does have many interesting articles related to everything from initial public offerings to planning for retirement. Another is Women's Wire [237]. There are others, but these are a few that I thought were particularly interesting.

Many of my routine research requests aren't strictly about investment-related issues but are more general, or business-oriented. I might get a question about foreign exchange rates. One of my users was trying to figure out how to calculate a certain value, and I was asked to provide the foreign exchange rates. I also provided an historical analysis for the time period of interest, about two months. During that two-month period, the exchange rate changed substantially—two or three times. I used Dow Jones to find currency rates, pulled that information into an Excel spreadsheet, and created a column for calculation. Not only did I wind up providing a list of exchange rates, day by day, but I also calculated the change as a percentage of the current rate through the use of Excel. I did a Lexis-Nexis News search, too, to try to find explanations that would help us understand what was going on, and I wrote a synopsis for each of the big changes and a summary about precipitating causes for the change. This type of information was used to decide on correct rates for settling the question.

**You mentioned that you had worked at the  
Shearson Lehman Brothers business library.  
What tools did you use for research at that time?**

One of the best sources I learned about a long time ago was actually a wonderful print tool called F&S Index, which is also on

Dialog [52], now as the Gale Group F&S Index, File 18 [86]. The print version was nice because it allowed you to get a quick overview of what was going on in a company, as well as whether there were a lot of articles or just a few on your topic. The F&S Index was organized in many different ways, for instance, by SIC code, and by event and activity codes that allowed you to really drill down into a topic or area. If you were looking for all the airline mergers involving companies larger than a certain size, you could quickly find just what you needed by using the event, activity, and SIC codes.

Many people neglect to consider using the printed manual, which is available from the vendor. The manual, which is also used for searching the PROMT [178] database, has numerical codes as well as product terms. It's somewhat complicated to use, but allows you to create very precise searches. You can get the information online, too, but I think it's because I started using it in print first that I know how valuable the codes can be for setting up a search before jumping online.

### **What kinds of questions would you be jumping online to answer, for instance?**

People would rush up to me and say, "I've got to know all about a company," or they wanted to know what was going on in this or that industry, or who the leading player is and if he or she is open for a change in corporate control. I would start off by doing some background checking on the company, and often would begin with a Dun & Bradstreet [58] credit report because that often gives you some good background, including information about finances. If a company was public, I'd get the financial statement from the SEC [196] collection. This was many years ago, and at that time, Shearson Lehman Brothers had a tremendous microform collection of SEC documents and a couple of people who spent all day long standing at very large, very quick copy machines that took microform and printed out the SEC reports.

For public companies, it's always necessary to look at the SEC filings. After that, it's important to do all kinds of searching, from looking at books that describe corporate histories to using Web sites in today's research environment. I'd look at company databases on Dialog or Dow Jones. Nowadays, there are other sources, like Bloomberg [19], which didn't exist during my earlier years in the field.

## **Tell me about your research related to building and maintaining the CSFB intranet.**

To build and maintain an intranet, it's helpful to first read a wide variety of professional journals that have useful information, such as *Internet Newsletter* [116], *InternetWeek* [117], *Internet World* [119], *EContent* [62], *ONLINE* [172], *Searcher* [194], *Internet Lawyer* [115], *Informed Librarian* [107], *Information Outlook* [105], and *Information Today* [106]. It's important to subscribe to all kinds of electronic discussion groups, review the continuous pile of literature that comes in the mail, and go to conventions to learn about everything that's new.

When I find something particularly relevant to my department or to potential research questions from my patrons, I load the information onto the intranet. The idea is that, instead of 140 or so people maintaining huge sets of bookmarks that go out of date and change all the time, I keep the most important resources on the intranet. Everybody has a set of bookmarks unique to him or her, but I try to put on the intranet anything that might be useful across the board. This includes everything from links to search engines, to the best places to go within federal, state, or local government agencies for certain types of information, or how to locate attorneys. I include sites such as all the stock markets that we are involved in or sit on, and the SROs (self-regulating organizations), such as the New York Stock Exchange [162], Philadelphia Stock Exchange [174], National Securities Clearing Corp. (NSCC) [157], and NASD (National Association of Securities Dealers) [155]. For some of these organizations, we have printed material, too, but sometimes there's



nothing as good as going online. Some of the organizations are so important that we've loaded CD-ROMs devoted to them onto the company network, which I mentioned earlier. But you also want to be able to access their Web sites quickly through links for the most current information.

I have also set up a section called Important Securities Sites, which consists of URLs for organizations or law firms that focus on securities, such as Morgan Lewis [147], McDermott Will & Emery [141] and Ballard Spahr [14]. These sites all provide securities law material, reports, and other resources for researching securities issues. They flag new development and, in a few paragraphs, explain the implications of these developments.

Another one of the Important Securities Sites is the Stanford Securities Class Action Clearinghouse Center [198] from the Robert Crown Law Library at Stanford Law School. This site collects complaints, orders, and articles about class actions against companies. I use this resource myself when we get inquiries that require me to identify class action suits. I will research this site and find out that there is, in fact, a class action suit in process, even if searching other online databases does not reveal its existence.

Another good site is the Center for Corporate Law at the University of Cincinnati College of Law [219], which contains primary material on securities law. Our departmental intranet also has links to the more standard sources of business and company information, such as the Wall Street Research Network (WSRN) [228], CNNFinancial [37], Stock Point [209], and Quote.com [182]. All of these are good sites, although not as heavily used as in the past. Many of the staff are now using ADP [1] and Bloomberg since they are readily available on everybody's desktop. Instead of going to the Internet for stock quotes, stock charts, or company information, they get what they want from ADP or Bloomberg—or touch base with the CSFB's Business Library. We have a marvelous Business Library in the New York office with a dedicated staff of experienced professionals and very skilled top management under the direction of Pamela Rollo. They assist in providing information in so many formats and so transparently and

invisibly, without extra cost to the attorneys, that the legal staff often doesn't feel the need to use the Internet at all, despite the fact that it's a great tool for some basic information.

### **Could you talk a little more about ADP and Bloomberg? What information do these companies supply?**

This is another example of constant change. Both ADP and Bloomberg are key online services that have historically played a significant role in research for the investment area. Both services are changing and improving. ADP provides real-time news from some 70 news sources, market data from over 100 stock exchanges, and research and analytic services, including quotations and monitoring services. This is a desktop application; the individual attorneys use ADP from their own computers. We pay for it based upon the number of users. There are different formats, and you can decide how to display different pieces of ADP at any one time. The investment banking people have one format and the equity people have another. The common configuration for those in Legal is to set the top part of the screen with rolling news headlines. They can see whatever is coming across the wire in real time.

For Bloomberg News, also in real time, you choose a menu, select "News" and a category, and you get the news on your screen. It rolls up or down as news stories come out. Both ADP and Bloomberg provide market quotes. On the bottom part of the screen, you can identify a stock you're interested in or that the firm is interested in. Since the information is in real time, stock prices are constantly updated as changes occur.

### **What other databases and reference tools do you use, besides the ones you've mentioned?**

I'm generally responsible for our contracts with Westlaw, Compliance International [42], Commerce Clearing House [39], Lexis-Nexis, ADP, and Bloomberg. The staff also uses the Credit

Suisse First Boston's Global Research Library, which is a tremendous and extremely valuable internal collection of company and industry research reports produced by our analysts and economists. As liaison to the CSFB Business Library, I often assist Legal and Compliance Department staff in conducting business and investment research using tools and sources that I am familiar with, having used them for many years. Some of these are Dun & Bradstreet Credit Reports, Dialog, Dow Jones, the Research Bank Web [187], ProQuest [179], Moody's [146], Standard & Poor's [207], Value Line [223], Datamonitor [49], CorpTech [45], CDA/Spectrum [32], and SEC documents via Disclosure CD-ROM [53], SEC EDGAR [196], LIVEDGAR [134], Federal Filings [73], or printed annual reports.

We subscribe to CD-ROMs from two vendors, Compliance International and Commerce Clearing House (CCH). Compliance International produces Books on Screen. It is a database of rules and regulations for the securities and banking industry, and an excellent tool for our legal and compliance professionals. The CD-ROM is updated biweekly and the Web site is updated on a daily basis.

The Federal Securities Law Reports CD-ROM from CCH includes the entire content of the multi-volume loose-leaf reporter. The loose-leaf is one of the key sources for the lawyers at Credit Suisse First Boston, and it is the standard in the entire securities industry. It can be used as a book, accessed via its index, or searched using either keywords or citations. The CD-ROM has become a favorite of many of the attorneys because it is always on the shelf, always filed correctly, and provides more access points than the printed source. The purchase of the CD-ROM has allowed me to reduce expenditures for the library by eliminating print subscriptions and reducing the amount we have to pay to file the weekly updates. CCH also offers access to the source on the Internet, and some of the CCH services are available on either Lexis-Nexis or Westlaw.

We have the NASD and the New York Stock Exchange searchable CD-ROMs also, including their rules, constitution,

guidelines, information memos, interpretative releases, and anything else they send out. These are easier to use than the counterpart Web sites. The CD-ROMs contain information that, until recently, was not available on either Lexis-Nexis or Westlaw. Updates are every three or four weeks, which means there's always a lag time. That is one reason for having to go online to the Web versions at times.

**You've mentioned using many sources for SEC filings—printed annual reports, Disclosure, EDGAR from the SEC, LIVEDGAR, Federal Filings, and so on. What is the purpose of having so many versions or approaches to basically the same documents?**

Sometimes we need glossy versions of annual reports because they're much nicer to use. You may want to examine the pictures or the quality of the report, or you may need to see the colors in charts. Even though images are available in some of the online databases, you may still want to order the physical documents to keep on file.

As to why we access so many different electronic versions of SEC filings, which system we use often depends on its presentation. Sometimes you want just a simple list of filings and you use one service for that type of output. On the other hand, sometimes you want to quickly summarize the annual report. One of the nice things about LIVEDGAR is that it organizes all the different filings in pieces and gives a more visual presentation with hypertext links.

Sometimes, we use Federal Filings to get documents that are not online. Not all SEC documents are available online from EDGAR, LIVEDGAR, or others. You still have to get certain filings on paper. Other times, the patron may want to download financials into a spreadsheet to perform a comparison or calculations, and one system or another is better for this.

## **What software do you use for crunching numbers or creating deliverables?**

I use Excel heavily for a wide variety of tasks—everything from keeping reference and interlibrary loan logs to Continuing Legal Education (CLE) attendance records, and for budget and subscription records. I sometimes use Excel rather than Microsoft Access for minor database functions, because of the ease of use and its widespread accessibility throughout the office.

## **In what form do you deliver research results?**

About one-half of all research is provided to the patron only in electronic form, either by email attachments, files on shared network drives, or through our intranet. Most of the other half consists of printouts. A few people want an executive summary or conclusion.

## **How much time do you spend on research and how much on formatting or massaging the output?**

Most of my time is actually spent on research. Only a small portion of the requests I work on require further refinement or analysis. For some of those, I prepare PowerPoint presentations. I spent some time creating a deliverable for that project I mentioned on foreign exchange rates. After finding the information, I did statistical analysis on the data using Excel, as well as preparing a narrative report about the reasons for the various changes on certain days.

## **We've already talked quite a bit about Internet resources. In what other ways do you use the Web, electronic discussion groups, or email?**

Both the Legal and Compliance staff and I use the Internet every day for all types of business and legal research. Some of the sources I haven't mentioned are TheStreet.com [214] and Finance.Yahoo.com [241], which have a good collection of links to other sites that you might wish to go to. Government sites, like the Federal Reserve [74], the Securities and Exchange Commission,

and the New York State Banking Department [161] are always important in our area of practice.

As part of my job responsibilities, I subscribe—in digest form whenever possible—to nearly 50 electronic discussion groups in areas like law, technology, the Internet, and electronic business, and I receive some 30 daily email news digests or newsletters. I screen, filter, and redistribute email about companies, organizations, and the stock exchanges to the attorneys as appropriate. I have set up some of this email to forward automatically; others I review manually and distribute selectively.

### **How do you manage to keep up with so many discussion groups?**

There are days I'm not sure I do keep up. When I am away from the office, I sometimes suspend some discussion groups, but I often use my laptop to keep up when I'm at conventions and even on vacation. There's no easy answer; you just have to keep plugging through. I belong to so many groups because I'm insatiably curious about what people have to say. I find that, no matter how well positioned I am or how many information and people resources I have access to, I never know enough about what's going on in the world. In the library profession and in business, you have to make a constant effort to stretch and to see what other people are saying.

My mother used to say to me, "If you're not growing, you're dying." The same thing is true about researching and keeping on top of what's going on. If you're not spending time tracking down all the news and latest changes, then you probably are losing track in your profession, because you're no longer as current or as on top of the changes that are important to you, day to day.

### **Do you use any other alerting services for your staff or for yourself?**

I have recently been using a very good news summary service called Newscan [164], on technology topics. One popular current alerting service among librarians is Edupage [64]. When you sign

up for *The New York Times on the Web* [163], which is free, you can set up a current awareness search. If you're interested in the business section, you can have them send *The New York Times Summary of Business*, which is a Web-browsable page delivered in email. If you're interested in more information, you click and get the full-text story.

## **What about non-online ways to stay current and maintain an edge?**

I regularly read the key print newspapers—*The New York Times*, *The Wall Street Journal* [226], *American Banker* [4], *New York Law Journal* [160], and *Financial Times* [77]. I also subscribe to more than two dozen weekly print journals, and more than 40 biweekly and monthly print publications such as *EContent*, *ONLINE*, *Searcher*, *Information Today*, and *Informed Librarian*.

I religiously attend educational programs offered by my local chapters of the major library and information science organizations, and attend conventions and conferences sponsored by other relevant organizations. I also listen to people talking; I listen to something my daughters repeat from one of their favorite characters, Ms. Frizzle from the Magic School Bus: "Take chances, make mistakes, get dirty."

The key is to be willing to try new things, make mistakes, and learn. I firmly believe that life is a continual learning opportunity, and it is up to all of us to take full advantage of the wide variety of different things that can be learned.

## **I know that your expertise as an electronic researcher is reflected in your many articles. Do you find yourself doing a lot of research for yourself?**

Yes, absolutely. I'm like all librarians. The first step for any good writing is research. While I may know a lot about a lot of topics, and think I know everything in some cases, I never really do until I research it. All good librarians usually do at least some amount

of cursory research before they write. I start by using my own personal subject file. I've kept it over many years. It has hundreds of folders with all the trends and topics that I'm particularly interested in. I also do an online search, and usually I'll call at least one or two people whom I know are particularly interested in the topic, and share a few ideas before I actually begin writing. Many times, I will actually submit a copy of my article to one or more persons to bounce it off them prior to sending it in for publication. I always find that some level of collaboration substantially improves the end product. The more people, and the more eyes and insights that go into something, the better the product will be, as compared to just writing off the top of my head.

### **Earlier, you mentioned both Lexis-Nexis and Westlaw. Do you use one or the other more?**

I use and love both products. They are wonderful. It's hard to imagine today's lawyer practicing law without online research. The competition between the two vendors for the online market is a hotly-fought battle and has benefited the legal community and contributed to improving both products. I am friendly with and have a long history with both Lexis-Nexis and Westlaw, having used both services since 1978. I have used both services regularly, meaning daily, over the last 15 years. I've been involved in negotiating contracts with both companies.

Having said that, I'll say that, at any specific time, one company may provide more comprehensive or more cost-effective services in a given area or topic. This has changed dynamically, by which I mean that what was true six months ago may not be true today, and may not be true six months from now. A lot depends on the individual contract you've negotiated and on usage patterns.

Regarding research, both Lexis-Nexis and Westlaw offer extensive public records databases, but they are still in the process of developing comprehensive public records files useful to investment research. Sometimes, a patron comes in with the name of a company or a property and wants to know who owns it and if



there are any legal filings. The first place to go is to various public records to find the real estate ownership records, any real estate transfers, liens, judgments, bankruptcy filings, or Secretary of State filings.

An extremely competitive area is that of providing information about court dockets. I'm always looking up court docket information to see whether somebody is being sued. Online access to court docket information started only a few years ago with PACER (Public Access to Court Electronics Records) [173]. Public access then increased substantially because of the introduction of CourtLink [47], which made PACER more useable by developing a software front end that allowed the user to access PACER information more easily. After a while, Courtlink became available as a gateway database on Westlaw.

Now, two additional vendors have Internet-based systems that can be used to monitor and retrieve dockets for most federal district courts and for finding cases involving issues, clients, competitors, law firms, and judges. In addition to CourtLink, the key competitors are MarketSpan [139], which produces CaseStream, and RIS Legal Services, which produces CourtExpress [46]. What's available in this area changes constantly; it's almost impossible to be sure that one knows what's going on. You have to spend a lot of time keeping up.

**You've talked about vendors who supply public records. Could you explain more about how this type of information fits into the world of investment research?**

Public records information is necessary before, during, and after companies are involved in transactions with each other. Sometimes, lawyers are brought in ahead of a project and need due diligence work done before deciding what to do and what to recommend. Often, they are looking for potential changes with regard to the economics of a deal, and they need information that will help them write a new clause. They don't want to

kill the deal but, based on the information they find, may need to make modifications.

An example of the need for public records information might be in the rebundling of a note or “serializing,” such as putting together a series of real estate purchases and then selling interest in the entire lot. The concept of a REIT, or real estate investment trust, is to take many mortgages, pool them, and sell the pieces of the pool instead of selling one mortgage alone, since one doesn’t know whether any individual mortgage might default. Because there are many mortgages in a REIT, one can make a statistical judgment on how much the investment will return. REITs are securities and can be sold just as you would sell any other stock or bond. Some banks may not want to hold onto real estate because it ties up their capital, plus the chance that a borrower will default. The bank sells mortgages or a group of mortgages to a reseller who, by holding a lot of them, reduces the chance of default—and funnels money back to the bank for reinvestment on other mortgages.

There are examples of this type of transaction in the entertainment industry. A performer’s future revenue stream may be sold as an investment. The entertainer reaps the benefit by getting money now, based upon future possible earnings. Investors may own a small percentage of revenue streams that will come from future royalties. This is a pretty interesting concept. I know of a major law firm in New York that does a lot of work in helping entertainers, performance companies, and restaurants serialize income stream. They work with investment banking firms like ours to sell this type of investment.

For a company, the advantage is that they can sell a film as an investment package with a revenue stream that comes from licensing, foreign sales, videos, and anything else, and cut that up for a professional investment firm to sell as an investment. This gives them income today, through the sale to investors who each get a piece of the interest, and then money as dividends over a certain period of time. At some point, the investment may be rolled over into another investment, or sold out.

As these transactions evolve, there is a need for business research, since the investment bank or security dealer involved must perform due diligence, learning all they can about the individual performer and the liabilities involved. Judgments may have to be made that involve knowing about the chance that an industry is going to survive or die, or that a person's no longer going to be popular. I'm asked many investment-related questions that are really business and public records research questions.

**Let's talk about quality and reliability issues.  
How do you think about the Internet vs. traditional  
or commercial systems?**

Generally, the wider the scope and deeper the coverage, the better will be the research results. Given sufficient time and money, the broader the range of sources that can be used to confirm and verify the data, the better the end result. Very seldom can you comprehensively research a project on the Internet alone, or in print alone, or even through traditional online alone. In today's world, you still need to pick and choose the best sources.

You also need to use all available tools because there is no single source—and usually no single right answer—that you can be certain is authoritative, reliable, and up to date. The paradigm I use involves three factors: money (cost), time (speed), and authority (quality). Generally, I feel that one can have two, but not all three. This means that you can use the Internet for low cost, but possibly trade off quality and speed—not only the slowness of the Web, but because you have so much information to sort through. Alternatively, you can use a high-cost proprietary database with assured quality and fast speed.

By applying this paradigm to every research question, I can recommend what mix of print, traditional online, and Internet resources to use. On the Internet, accuracy and reliability of the data is in question. Information is often lacking about how frequently material is updated. Often, you do not know who or how well-qualified the person you're relying upon is, unless you know

what organization the information is coming from or what perspective the author is taking. There are also many biases. Some of the bias is intentional, while some is unintentional and may not be clear. You constantly have to make judgments.

One of the reasons I know that commercial databases are better than much of what is on the Internet is that I go to trade shows and meetings and see product demos. Vendors visit my office regularly. I have no objection to spending the time letting them give me their best pitch and explanation of their product, because they have much to share. I sit on focus groups and don't mind being a beta tester or experimenting with a product, because the vendor is going to get something out of it, and I'm going to be a little further along in my learning curve.

I may never use some of the products, but by being aware of new tools, I will be a better information professional and can share the information with others. I have been chair of the Emerging Technologies Roundtable sponsored by the Legal Division at the annual convention of the Special Libraries Association (SLA) [206], and I have collected and read a great deal about emerging technologies. I will never use many of the tools I was exposed to, but because I'm willing to read and take the time to learn, I'm able to find out about new areas. That helps me do a better job in my day-to-day job as well as in my professional life.

### **Do you have any success stories about how research saved the day, saved money, or really helped in some way?**

In one situation, I was asked to check out whether someone was legitimate. I found out that the person represented an organization that had worked with other major investment banking firms with very good results, and thereafter we became involved with him.

In another example, someone in the middle of a deal said he had a funny feeling that someone might be hiding something. Nobody had done any in-depth research on that person until that time. Lo

and behold, in my research, I found a number of outstanding lawsuits and a threat of litigation regarding the underlying property that was the subject of the deal. Naturally, this required some changes to the deal as the attorney rushed to reorganize and set up a whole new series of checks and balances to protect our interests.

They might never have structured these changes if my research hadn't uncovered a background of problems, especially since the person they were dealing with wasn't up-front about the details. The people in the business unit had done their normal research but did not do detailed background research to dig underneath and find out whether problems existed. Through online research, I found quite a number of lawsuits against this person. I also found tax liens and liens filed regarding employees' social security and workers' compensation payments. I found that one of the corporations involved had let its charter lapse.

### **What are some of the global or macro economic trends that are changing or increasing the need for investment research?**

As a general rule, the world is getting faster and more complicated. The number of variables that might affect any one decision is increasing. The need to understand the world, the economy, and all those variables is growing. These changes make research and researchers more important. It's hard to act by the seat of the pants or from one's natural knowledge when making a decision regarding investments. You have to understand and carry out your due diligence obligation in a legal sense. That involves researching and understanding the underlying activity.

Electronic research both helps and hinders our ability to comprehensively understand the world and its activities. It helps by making available to individuals—at their fingertips—greater amounts of information than they ever would have been able to access in a traditional print world. On the other hand, it can produce information overload and the recognition that you ultimately can't understand all the variables or really be certain of anything.

You may throw your hands up and say, “Gee, it’s a pretty annual report—let’s buy this stock.”

You may read huge SEC and EDGAR filings, get 13 different analysts’ reports about the same company, do a news search in Lexis-Nexis, Dialog, and Dow Jones, read Bloomberg’s Analytics, and look at ADP and D&B Credit Reports. You do all that and you say, “Huh, I can’t make head nor hair of it.” Everybody disagrees and you say, “Uh ... who knows?” Information delivery to your desktop can be either a wonderfully empowering or a dangerously confounding experience. It can impart knowledge to an individual who may never have had access to it before, or it can drown a person in a sea of information.

### **Do you think that individual investors will benefit, on the whole, from all the easy-to-use sources for making investment decisions?**

Individual investors can get meaningful information that is authoritative and reliable, but a lot of information they come across consists of irresponsible rumors, or disingenuous, inaccurate, or biased information. One big problem area now is stock market fraud based on Internet chat room conversations and phony Web sites that people put up about a company. These are intended to “fake out” investors. People sometimes talk up stocks that they’re selling short so they can profit. There is potential for danger to the whole system, which is why the SEC has criticized as irresponsible the advertising by some of the major online trading companies.

### **Do you have any recommendations or cautionary tales for those just starting out in investment research?**

Recognize that a wide variety of sources exists to assist in answering questions, but that they vary widely in accuracy, authority, reliability, and timeliness. Use extreme care with any source before determining its value. Never rely too heavily on

any one source. Read as much and as widely as you can. Talk to people. Most especially, ask questions and then listen to the answers. There is a great network of wonderful teachers and mentors out there just waiting to be tapped.

*The opinions expressed by me in this interview are my opinions alone and do not in any way reflect or indicate the opinions of Credit Suisse First Boston. All the ideas and statements made during this interview are solely and uniquely mine and should not be interpreted to be those of Credit Suisse First Boston. All products and companies mentioned in the interview reflect my individual and personal opinions and are not in any way the opinions of Credit Suisse First Boston. Nothing I say should be considered an endorsement of any particular product or company.*

—Nathan Rosen

## **Super Searcher Power Tips and Wisdom**

- The World Bank and some nonprofit institutes and organizations have made an effort to collect information about environmentally sound or public-spirited companies.
- Which SEC system we use often depends on its output options. Sometimes you want just a simple list of filings; sometimes you want a summary of the annual report or a more visually attractive or hyperlinked presentation.
- Given sufficient time and money, the broader the range of sources that can be used to confirm and verify the data, the better the end result.
- You need to use all available tools because there is no one answer, no one source, or one right answer.





# **SUPER SEARCHERS**

## **on WALL STREET**

**TOP INVESTMENT PROFESSIONALS  
Share Their Online Research Secrets**

**Amelia Kassel**  
**Edited by Reva Basch**

*In their own words—ten experts who search the Internet  
& online services for critical investment information*

# **SUPER SEARCHERS on WALL STREET**

**TOP INVESTMENT PROFESSIONALS  
Share Their Online Research Secrets**

**Amelia Kassel**

**Edited by Reva Basch**



**Information Today, Inc.  
Medford, New Jersey**